

MODERN SLAVERY STATEMENT 2021

**Meeting global demand
for sustainable products**

MODERN SLAVERY STATEMENT 2021

This statement is made pursuant to Modern Slavery Act 2018 Australia and sets out the steps we have taken to identify and mitigate risks to our business and supply chains from slavery and human trafficking during the 1 July 2020 – 30 June 2021 Financial Year.

1. Introduction

Midway is committed to preventing slavery and human trafficking in all its corporate activities and to ensuring that our supply chains are also free from such practices.

2. Midway structure, operations and supply chains

Midway is an Australian forestry company based in Geelong, Victoria, with majority shareholdings in South West Fibre Pty Ltd (SWF) based in the Green Triangle (South West Victoria), Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane, Plantation Management Partners (PMP) based in the Tiwi Islands, Midway Tasmania based in Tasmania and Midway Logistics based in Western Australia.

2.1 Structure

Midway is manager for all the subsidiary companies described in Table 1 below and is either a majority shareholder or sole shareholder of those companies. Midway and subsidiary companies (referred to as Midway hereafter) employ 150 staff across Australia.

Table 1

Company name	ACN	Logo
Midway Limited	ACN 005 616 044	
Queensland Commodity Exports Pty Limited	ACN 010 906 331	
South West Fibre Pty Ltd (South West Fibre)	ACN 127 951 991	
Plantation Management Partners Pty Ltd	ACN 138 414 687	
Midway Logistics Pty Ltd	ACN 119 206 003	
Midway Tasmania Pty Ltd	ACN 614 635 764	

2.2 Operations

Midway's core business is the production and marketing of woodfibre for supply to producers of pulp, paper and associated products in the Asian region. Woodfibre is primarily produced from plantation hardwood, which represents the majority of the Company's export sales, with the balance comprising woodfibre produced from plantation softwood logs and hardwood timber residues generated from the harvest of sawlogs from native hardwood forests. The Company has interests in three processing and export facilities in mainland Australia. Other segments include:

Forest and land management

Midway currently manages forests on freehold and leased land held predominantly in the Otway's, Upper Goulburn and Ballarat regions of Victoria. Through its subsidiary PMP, Midway currently manages plantations in northern Australia, and through Midway Tasmania manages forests in Tasmania. Combined the group manages over 62,000 ha of forest estate. The company owns significant areas of freehold land and manages plantation projects under a range of ownership arrangements. We bring over 20 years' experience in softwood and hardwood plantation management and environmental management systems covering all stages from land selection, establishment, maintenance through to harvesting.

Logistics, harvest and haul

The procurement, processing, handling, marketing and export of woodfibre is a core component of Midway's business. Midway engages contractors to harvest and haul timber to processing sites, including the company owned mills and to third party facilities. We operate in compliance with timber harvesting codes of practice in the states we operate in – VIC, WA, SA, QLD, NT, NSW and Tasmania. Midway manages all aspects of harvesting for landowners' plantations, including permits and approvals, roading, harvesting and haulage.

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2.3 Supply chains

The majority of Midway's supply chain is woodfibre. All woodfibre is sourced from within Australia through one of the following supply arrangements:

- Harvest and haulage operations that Midway owns and operates. Labour is engaged directly by Midway.
- Harvest and haulage operations where Midway engages contractors and supervises the work. Contractors engage labour.
- Third party supply of wood delivered 'Mill Door' under contract from either State owned or private entities. Suppliers or their contractors engage labour.

- Most of the woodfibre supply is certified under either or both the Forest Stewardship Council (FSC) or Responsible Wood (AS4708) standards.

The supply chain includes processed woodchips and may extend to either the departure port, or to the destination port for woodchip vessels. With Free-on-Board (FOB) woodchip shipments, Midway loads the vessel at the departure port, and the buyer arranges freight to the destination port. For Cost Insurance and Freight (CIF) shipments Midway chartered the vessel to the destination port. Other products and services provided to Midway include port services, fixed plant and equipment, mobile plant, consumables, seedlings, fertilisers, agricultural chemicals, office supplies, consulting services, fuels, electricity, and protective clothing. Table 2 below lists suppliers and their location.

Table 2 – Location of suppliers

Item	Location
Operations	
Woodfibre production – Roundwood, or woodchip produced in forest, transport to processing site	All from within Australia, as described in Logistics, harvest and haul above
Woodfibre processing – Production of woodchip from roundwood, storage and shiploading	All within Australia
Forest Silviculture – establishment and management of forests	All within Australia
Supply chains	
Vessel charter	Managers of charter vessels are located in: <ul style="list-style-type: none"> • Japan • Singapore • Republic of Korea • China
Fixed plant and equipment	Australia, US
Consumables	Australia, US and China
Mobile plant	Australia, US, Japan, Asia, Americas and Europe
Seedlings	Australia
Fertilisers	Australia, China, South America and other sources

Risks of modern slavery practices

Table 3 below describes the risks of modern slavery practices in the operations and supply chains for Midway. Risks are assessed as low within operations conducted by Midway. These are conducted within Australia, subject to controls including external auditing, contractual requirements.

Certain areas of our supply chain may pose a higher labour rights risk due to their location and the nature of the goods and services procured. Our risk assessment is a combination of Sector and industry risks, Product and services risks, Geographic risks; and Entity risks.

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Table 3 – Risk assessment

Sector	Risk
Operations	
Woodfibre production- Roundwood, or woodchip produced in forest.	Midway engages with third parties for harvest and haul production services within Australia. There is a small risk that modern slavery conditions exist. As all operations are governed under Australian Law, Midway considers this risk to be low.
Woodfibre processing – Production of woodchip from roundwood, storage and shiploading	Midway engages third parties in process of shiploading such as stevedores, shipping agents and fumigation services. There is a small risk that modern slavery conditions exist. As all are governed under Australian Law, Midway considers this risk to be low.
Forest Silviculture	Midway engages third parties in for forest silviculture services There is a low risk that modern slavery conditions exist. As all are governed under Australian Law, Midway considers this risk to be low.
Supply chains	
Vessel charter	<p>Seafarer welfare</p> <p>The Asia Pacific region has the largest number of people in slave like conditions in the World. Midway charters vessels through third parties and as such there is a higher risk of modern slavery conditions such as:</p> <ul style="list-style-type: none"> • Risk of underpayment of wages • Forced or compulsory labour
Fixed plant and equipment	<p>Could potentially entail risk deep in supply chains, such as the mining of conflict minerals and the production of raw materials.</p> <p>Largely fabricated within Australia or US and installed using local companies and therefore the risk is considered low.</p>
Consumables	Could potentially entail risk deep in supply chains, such as the mining of conflict minerals and the production of raw materials.
Mobile plant	<p>Could potentially entail risk deep in supply chains, such as the mining of conflict minerals and the production of raw materials.</p> <p>Largely fabricated within Australia or US and installed using local companies and therefore the risk is considered low.</p>
Seedlings	Supply chain within Australia, considered low risk.
Chemicals and fertilisers	<p>Could potentially entail risk deep in supply chains, such as the mining of conflict minerals and the production of raw materials.</p> <p>Some major Australian suppliers have a modern slavery policy and have lodged a modern slavery statement.</p>

3. Our actions to assess and address modern slavery risk

Detecting and preventing instances of Modern Slavery is implemented by having a strong governance and control framework in place. The Group has taken a number of actions since the 2020 Modern slavery statement was issued, in order to understand and mitigate modern slavery risks including:

- Completion of training regarding modern slavery for all Midway staff in management roles
- A training package and declaration for suppliers and contractors has been developed and is being implemented
- Ongoing updating of contracts as they are renewed to include AS4000 clause on modern slavery
- Modification of Midway's incident reporting system to include a category for Modern slavery incidents

Key policies that assist in detection of modern slavery practices include:

- Midway Mission, Vision and Values
- Midway Anti-slavery Policy
- Midway Limited-Code of Conduct Policy
- Equal Opportunity and Prevention of Workplace Discrimination, Harassment and Bullying Policy
- Forest Management and Environment Policy
- Midway Anti Bribery and Anti Corruption Policy July 2019
- Midway Whistleblower Policy and Whistleblower Hotline
- Grievance Policy and Procedure

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4. Effectiveness of our controls

Midway has implemented a number of initiatives to track our progress against detecting and preventing modern slavery practices including:

1. Appointing the Midway sustainability committee to develop and review modern slavery policy, reporting protocols and controls.
2. System for reporting breaches via the Midway group incident reporting system.
3. Whistle-blower hotline.
4. Employee assistance program provides an anonymous counselling service available to all Midway employees.
5. Quarterly review of strategic risk register includes review of risk ratings, controls and effectiveness of controls in reducing risk.
6. Annual external forest certification audits include assessment of compliance with ILO conventions.

5. Consultation

Reporting entities within the Midway group were consulted in relation to this statement and procedures to be adopted, which included discussions with business unit managers regarding risk assessment, and implementation of the framework.

6. Ongoing actions

We will

- Implement supplier self-declaration regarding modern slavery
- Complete deployment of training package and declaration for suppliers and contractors
- Update new contracts on an ongoing basis to include AS4000 clause on modern slavery

I, Tony Price, hereby certify that the Modern Slavery Statement 2021 has been approved by the Board of Directors of Midway Limited on 21 December 2021.



Tony Price
Managing Director
Midway Limited
21 December 2021